



United States Attorney
Southern District of New York

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U.S. ARRESTS STONY POINT TOWN SUPERVISOR STEVEN HURLEY
AND CHARGES HIM WITH ENGAGING IN A KICKBACK SCHEME

JAMES B. COMEY, the United States Attorney for the Southern District of New York; KEVIN P. DONOVAN, the Assistant Director In Charge of the Federal Bureau of Investigation's New York Office; and MICHAEL E. BONGIORNO, the District Attorney of Rockland County, announced the arrest today on corruption charges of STEVEN M. HURLEY, the Town Supervisor of Stony Point.

According to allegations in a two-count complaint filed this afternoon in White Plains federal court, HURLEY engaged in a fraudulent scheme in order to induce a Rockland County construction contractor to pay HURLEY an \$8,500 kickback out of public moneys.

As the complaint relates, the contractor has for some time been awaiting payment of approximately \$240,000 for work on a golf course in Stony Point and approximately \$17,000 for work on a road adjacent to the golf course. The contractor, according to the complaint, has made several efforts to collect, including

multiple conversations with HURLEY, the Town Supervisor.

Last Thursday, February 6, the contractor met with HURLEY at the defendant's Town Hall office. As the complaint details, HURLEY closed the door to his office, and explained that the contractor would have to submit three bills instead of two: one bill for the construction work on the golf course; a second bill for the work on a road adjacent to the golf course; and a third bill for \$8,500, which was ostensibly to be for road construction.

HURLEY is said to have explained that the first two bills were to be submitted by the contractor's firm, while the third was to be submitted by the contractor personally; HURLEY said he would then arrange for a Town check to be issued to pay the third bill. It is alleged that HURLEY instructed that the contractor would then have to cash that \$8500 check and return the cash to HURLEY "to be swept into another account."

As the complaint elaborates, this arrangement would mean the contractor would actually be billing the Town of Stony Point twice for \$8,500 of construction work -- once in a bill submitted by the firm, and once in a bill submitted by the contractor personally. This second payment for \$8,500 would be returned to HURLEY as cash.

The contractor, however, reported the incident to law enforcement. Thus, according to the complaint, this morning,

acting at the direction of agents, the contractor met with HURLEY at Town Hall and submitted the requested three bills. HURLEY is said to have directed his secretary to prepare a typewritten version of the bill payable to the contractor personally. HURLEY is then alleged to have provided the contractor with three checks, two drawn on the Town's capital fund, and a third, for \$8,574.86, drawn on the Town's general fund. The contractor is said to have agreed to cash the third check, consistent with HURLEY's earlier direction, and bring the cash to HURLEY, who told the contractor where he could be found later today so that the contractor could deliver the cash.

Afterwards, the complaint explains that law enforcement agents provided the contractor with \$8,574.86 in cash to deliver to HURLEY. According to the complaint, the contractor then met with HURLEY at a location in Rockland County; minutes later, law enforcement agents arrested HURLEY, who was in possession of the cash he had just received from the contractor.

HURLEY is charged in the complaint with two counts: obtaining local government funds by fraud and soliciting a bribe. If convicted, HURLEY would face up to 20 years' imprisonment in addition to other penalties.

Mr. COMEY thanked Rockland County District Attorney BONGIORNO and praised the coordination and the thorough investigative efforts of the FBI, Mr. BONGIORNO's Office and the

Town of Orangetown Police Department.

Mr. COMEY stated: "These violations of the public trust, which entail hidden costs directly born by taxpayers and, in this instance, the people of Stony Point and Rockland County, will be aggressively investigated and prosecuted wherever they are found."

Mr. DONOVAN stated: "One of the founding principles of our system of government is that our elected and appointed officials are public servants invested with a public trust. When public servants put private gain above public service - when they misuse their official positions to engage in self-dealing - they betray that trust and threaten public confidence in government."

HURLEY is scheduled to be presented on the Complaint this afternoon in federal court in White Plains before United States Magistrate Judge GEORGE A. YANTHIS.

Mr. COMEY said the investigation is continuing.

Assistant United States Attorney STEPHEN J. RITCHIN is in charge of the prosecution.

The charges in the Complaint are merely accusations, and the defendant is presumed innocent until and unless proven guilty.

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